

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for September 1, 2004 PLANNING COMMISSION MEETING

P.A.S.#: Comprehensive Plan Conformance #04004

Date: Aug. 23, 2004

PROPOSAL: Amendment to Lincoln Center Redevelopment Plan for Haymarket Core Redevelopment Project to determine conformity with the *Lincoln and Lancaster County 2025 Comprehensive Plan*.

CONCLUSION: The proposed amendment is in conformance with the Comprehensive Plan.

<u>RECOMMENDATION:</u>	Find that this request is in conformance with the Comprehensive Plan.
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GENERAL INFORMATION:

LOCATION: Part of Haymarket Landmark District in Downtown Lincoln Mall, between O and R Streets and N. 7th and N. 8th Streets.

APPLICANT: Marc Wullschleger, Director
Urban Development Department
129 N. 10th Street
Lincoln, NE 68508

CONTACT: Dallas McGee
Urban Development Department
129 N. 10th Street
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(402) 441-7857

EXISTING ZONING: B-4 (Lincoln Center Business District).

EXISTING LAND USE: Mixed use historic district including residences, offices, retail, restaurants, parking lots, and brewery.

ASSOCIATED APPLICATIONS: Street & Alley Vacation 04011.

HISTORY: The Lincoln Center Redevelopment Plan was first adopted in 1975 and has had more than 20 revisions for specific projects since its major update in 1985. Major benchmarks have been the 1993 revisions to approve parking structures, the Burnham Yates Conference Center, a childcare center, and the O Street Skywalk, utilizing proceeds from a

bond issue of 1985. These smaller, incremental projects followed concepts summarized in the “Downtown Master Plan” of 1989. That plan revised the large retail mall proposed in the major update of 1985.

The Haymarket Landmark District was designated by the City Council in 1982 and the Haymarket Redevelopment Plan was adopted in 1983. Numerous projects have been accomplished in Haymarket through private efforts and public-private partnerships in the last two decades.

ANALYSIS:

1. This is a request to review a proposed amendment to the Lincoln Center Redevelopment Plan for a determination of conformity with the Comprehensive Plan.
2. The amendment covers an area generally extending between 7th and 8th Streets, from O St. on the south to R St. on the north, in the core of the Haymarket Landmark District. The boundaries of the area are set forth more specifically on the attached map.
3. The amendment would accommodate two redevelopment projects—a new multi-story mixed use/residential building at the NE corner of 7th and R Streets and rehabilitation of existing buildings at the SW corner of 8th and P Streets. These projects would include public streetscape and infrastructure improvements within the amendment area.
4. The Lincoln Center Redevelopment Plan was first developed in 1975 to encourage retail revitalization and has been amended many times since. A major update was adopted in 1985 recommending a large retail mall and a \$12,000,000 bond issue was approved by voters at that time. Emphasis shifted to smaller, incremental redevelopment efforts, as summarized in “Downtown Master Plan” of 1989. A series of initiatives was approved in 1993 utilizing the 1985 bonds including parking structures, the Burnham Yates Conference Center, a childcare center, and O St. Skywalk.
5. The Haymarket Core Redevelopment Project would generate Tax Increment Financing from private development in the project area to pay for infrastructure and improvements such as property acquisition, site preparation and remediation, property demolition, utility improvements, facade improvements, parking improvements, and improvement of pedestrian facilities and provision of streetscape amenities.
6. The *Lincoln and Lancaster County 2025 Comprehensive Plan* acknowledges the community’s longstanding efforts to protect and improve historic areas and specifically

cites that "In districts such as Haymarket and downtown, the city uses its redevelopment powers to augment and help coordinate private efforts (p. E78). The Zoning Code reinforces these efforts through the Historic Preservation District (LMC 27.57) and Haymarket is the city's first designated historic commercial district.

7. The proposed projects appear to support these goals of improving and protecting the historic district and the Historic Preservation Commission has voted "Certificates of Appropriateness" for the new building at 7th and R Streets and for the conceptual design at 8th and P Streets.
8. Exhibit IV in the attached application shows vacated ROW adjacent to the 8th and P Street project. The accompanying Street and Alley Vacation 04011 addresses that request in more detail.

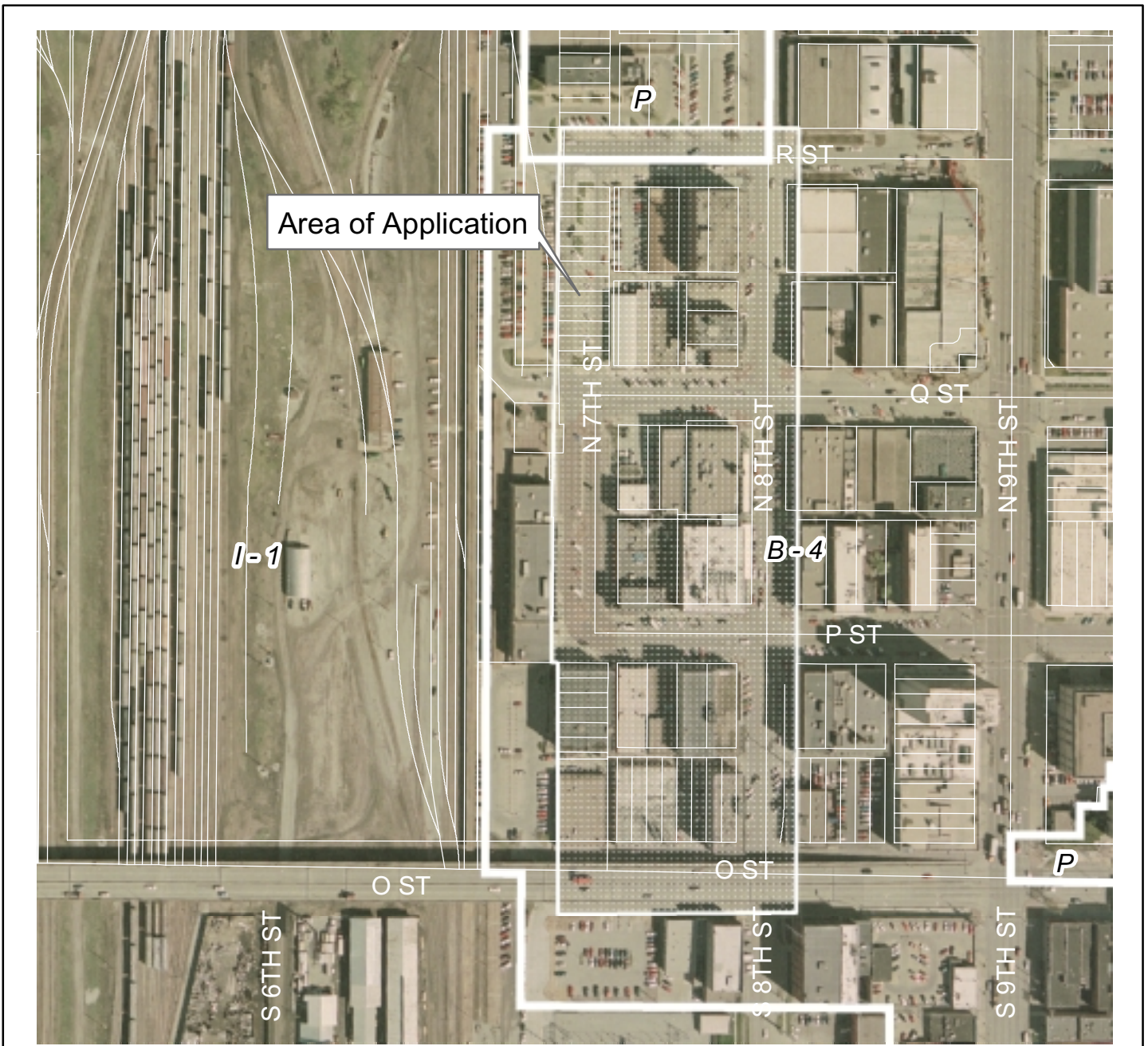
Prepared by:

Edward F. Zimmer, Ph.D., 441-6360, ezimmer@lincoln.ne.gov
Historic Preservation Planner

DATE: August 23, 2004

APPLICANT: Director of Urban Development
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Comp. Plan Conformance #04004 **Lincoln Center Redevelopment Plan** **Haymarket**

2002 aerial

Zoning:

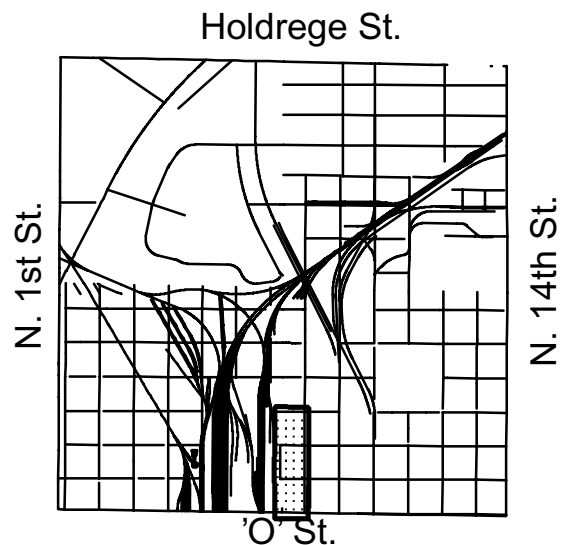
R-1 to R-8	Residential District
AG	Agricultural District
AGR	Agricultural Residential District
R-C	Residential Conservation District
O-1	Office District
O-2	Suburban Office District
O-3	Office Park District
R-T	Residential Transition District
B-1	Local Business District
B-2	Planned Neighborhood Business District
B-3	Commercial District
B-4	Lincoln Center Business District
B-5	Planned Regional Business District
H-1	Interstate Commercial District
H-2	Highway Business District
H-3	Highway Commercial District
H-4	General Commercial District
I-1	Industrial District
I-2	Industrial Park District
I-3	Employment Center District
P	Public Use District

One Square Mile
 Sec. 00 T00N R0E



Zoning Jurisdiction Lines

City Limit Jurisdiction



Lincoln City - Lancaster County Planning Dept.

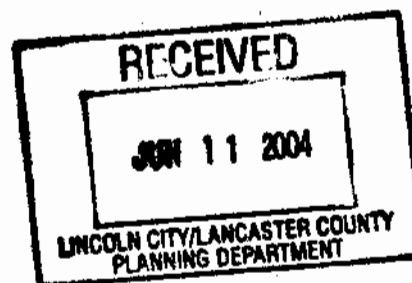
interoffice
MEMORANDUM

To: Marvin Krout, Planning
From: Dallas McGee, Urban Development *Dallas McGee*
Date: June 10, 2004
Subject: Amendments to Lincoln Center Redevelopment Plan

The Urban Development Department is requesting an amendment to the Lincoln Center Redevelopment Plan in order to accommodate two redevelopment projects in Haymarket.

We would like to amend the Lincoln Center Redevelopment Plan to add the Haymarket 7th-8th Street Core redevelopment project area. This area is bounded by O, R, 7th and 8th Streets and includes the redevelopment of two properties: 727 R Street, the former Larson Furniture Building; and 737 P Street, the former Salvation Army property.

We request that the amendments be brought before the Planning Commission for public hearing on July 7, 2004. Please contact me if you have questions.



Publicly funded redevelopment activities could include demolition, site preparation and remediation, acquisition, facade improvements, parking improvements and utility improvements; streetscape amenities would include sidewalks, curbs and gutters, plantings, and street furniture. These improvements correspond to several of the downtown redevelopment goals identified in Section I. The redevelopment project addresses these goals in the following ways:

- Encourages private development in the project area that supports and enhances the architectural character of the Haymarket District
- Utilizes an underdeveloped lot / removes blight
- Increases the supply of diverse housing stock
- Supports the vision of a revitalized downtown by adding a mixed use commercial / residential building at a key intersection and the terminus of a key corridor in the Haymarket.
- Integrates streetscape and landscape improvements in the project area with existing amenities

2. Statutory elements

(A) Property Acquisition Relocation Demolition and Disposal

Accomplishing the Haymarket 7th & 8th Street Core Redevelopment Project will involve the assembly of some property on Block 31 and may involve acquisition, sales or reconveyances as provided by law and consistent with the plan. The City may acquire property for public infrastructure and other needs. Specifically, the City may consider acquisition of an abandoned railroad spur that lies between lots 3 and 2 on Block 31, using the City's eminent domain authority if necessary. Exhibit IV-130 identifies the proposed uses in the project area.

(B) Population density

There are a total of 105 residential units in the project area today, all of which are located in mixed use buildings. These include 60 units in the Hardy Building at 335 N 8th Street, 16 units in the Haymarket Loft Building at 311 N 8th Street, 26 units in the Grainger Building at 105 N. 8th Street, and 3 units in the Burkholder Project at 719 P Street. All of these units will remain after implementation of the redevelopment agreements. The development at 727 R Street will add an additional 35-50 condominium units to this area. This project will include two levels of on site, underground parking with 70 parking stalls for residents / tenants. The plans for the redevelopment of 737 P Street also includes the option of adding additional housing to the district at a future date. The Creamery Building at 701 P Street is currently being redeveloped into a mixed use project that will include 12 residential units. We anticipate these units will be completed in 2004-05.

(C) Land Coverage and Building Density

Land coverage and building density will be altered with the implementation of this project. The existing building and the surface parking on lots 3 & 4 of block 31 will be demolished and replaced with a new six - seven story mixed use building. All other existing buildings within the project area will remain. The proposed uses are shown on Exhibit IV-130.

(D) Traffic Flow, Street Layout and Street Grades

The existing street system within the project area will remain essentially unchanged as a result of implementation of this project. The Block 31 project envisions a bank tenant that will have drive thru service for cars entering through the east-west alley separating lots 3 and 4 from lots 9 and 10 and exiting on R Street. The building's underground parking will also utilize an off alley entrance and will exit onto R Street. The Salvation Army complex development envisions removal of the curb cuts on P street and filling in this area with additional parking and vacation of some sidewalk rights of way. The proposed block 45 redevelopment includes reconstruction of the sidewalk area that will result in a reduction of the street width on both P and 8th. This reduction would bring these two blocks into line with the existing dimensions of 8th Street to the north of the project and on P Street to the east of the project.

Pedestrian amenities may be constructed in the right of way adjacent to both the proposed Block 31 and Salvation Army complex projects and may include expansion of the landscaped median on 7th Street between R and Q Streets.

(E) Parking

Parking in the project area consists of private surface parking lots (Blocks 31, 32 and 45) and on street parking. The Block 31 project area currently contains 32 surface parking stalls on lot 3. As a result of this project, this surface parking will be removed. Two - three levels of underground parking with at total of up to 70 stalls for building's residents and commercial tenants will be constructed on this site. The Salvation Army complex development may include 15-30 stalls of basement parking for tenants and will include an addition of up to 8 on-street parking stalls as part of the streetscape improvements.

Nearby covered public parking facilities that serve the area include the Haymarket Garage (410 spaces) and the Market Place garage (384 spaces). Surface parking is available at the Iron Horse Park lot (150 spaces) and Lincoln Station South (93 spaces) and the Lumberworks (77 spaces). There is also private parking on Block 32 and USPS customer and employee parking around the post office.

(F) Zoning, Building Codes and Ordinances

The area is located within the Historic Haymarket District and is zoned B-4, a business zone that allows for a wide range of uses including the mixed use commercial and housing developments that are being proposed. See Exhibit IV-131

The conceptual plans for construction for both projects have been reviewed and approved by the Historic Preservation Commission. Zoning will remain unchanged as a result of this project. The Uniform building code for the abatement of dangerous buildings, the Uniform Building Code and their specific City amendments will properly protect the health, safety and welfare of the people. At this time, there are no contemplated changes in the City zoning laws or building codes to implement this project.

(G) Public Infrastructure

New infrastructure improvements are anticipated to be needed as a result of this project. These improvements may include alley improvements, new curbs, sidewalks, lighting, plant material, street furniture and other streetscape improvements. This project may include development of new public landscaping and open space in the 7th Street median to the west of the Block 31 project area and the development of a pedestrian passageway on the east side of lot 3 Block 31. The City may also work with the developer to improve public utilities serving these two developments.

(H) Cost Benefit Analysis

A cost-benefit analysis will be prepared and included as a part of the material that will be presented to City Council

3. Proposed Costs and Financing

The proposed cost and financing of the Haymarket 7th & 8th Street Core Redeveloped Project is identified below:

Block 31

Estimated cost of implementation of this mixed use project is \$9,600,000. This includes an estimated private investment of \$8,300,000 and \$600,000 of public investment.

Block 45

Estimated cost of implementation of this mixed use project is \$2,500,000. This includes an estimated private investment of \$2,300,00 and \$200,000 of public investment.

Public Investment may assist in acquisition, demolition and site preparation and remediation on

Block 31 and public improvements in the project area. Those improvements are likely to include: blight clearance and removal, utility improvements, facade improvements, parking improvements in conjunction with the increased intensity and development of a public walkway between lots 2 and 3 of Block 31 and streetscape improvements throughout the project area. The streetscape improvements could include sidewalk construction, curb and gutter construction, parking reconfiguration, landscaping, installation of pedestrian lighting, benches, trash receptacles, bike racks, signage and other street furniture and landscape plantings. The amounts and uses of public funding will be more specifically identified as part of redevelopment agreements that will be prepared with the developers of the Block 31 and Block 45 projects.

Funding Sources

The source of public funds for these improvements will be community improvement financing generated from the private developments within the project area. Community Improvement Financing is estimated to be \$ 800,000.

4. Implementation Steps

Under Nebraska Community Development Law, the first step in the redeveloping an area is for the City to declare the area blighted and substandard and in need of redevelopment / revitalization. The Lincoln City Council completed this first step by declaring the Downtown Area blighted on October 22, 1984, and affirmed by resolution on October 19, 1987, the area as "blighted and substandard." The City Council determined that private enterprise could not redevelop this area without the assistance provided by the Community Development Law (see Blight Resolutions, Appendix 1 and Appendix 9).

Implementation steps for the Haymarket 7th & 8th Street Core Redevelopment Project:

- Negotiate redevelopment agreements with developers of Blocks 31 and 45 and receive City Council approval of redevelopment agreements.
- Issue and sell Community Improvement Financing bonds or notes.
- Select architects and engineers pursuant to city standard practice to design streetscape improvements.
- Approve the streetscape improvement design.
- Competitively select primary contractor to construct public improvements.
- Construct public facilities and improvements.

**Haymarket 7th & 8th Street Core Redevelopment Project
Proposed Amendments to the Lincoln Center Redevelopment Plan**

Section 3

A. Introduction

- (add to fifth bullet on page III -1) and the Historic Haymarket district

III - 5 (add new bullet)

- Encourage development of mixed use projects that attract and maintain commercial activity and residential developments in the downtown and Haymarket areas

Haymarket 7th & 8th Street Core Redevelopment Project (add to p. III - 19 a)

This project incorporates all of blocks 31, 32 & 45 in the Haymarket Historic District and involves the development of two mixed use properties: 1. the redevelopment of the Salvation Army Buildings (737 P Street) on block 45 and the development of a new multi-level mixed use building (727 R Street) on Block 31. The goal of this project is to strengthen the Haymarket District by removal of a blighted building and the construction of major new building; and the renovation of several key properties in the district. City support may include property acquisition, site preparation and remediation, property demolition, utility improvements, facade improvements, parking improvements and the provision of streetscape amenities.

The project will support the redevelopment of an existing series of buildings into a mixed use building with restaurants, studios, apartments and office space and the construction of a new mixed use building including a bank, retail, offices and 35-50 housing units. These projects will remove blighted and substandard conditions and will make positive contributions to the continued revitalization of the Historic Haymarket District.

Section 4

M. Haymarket 7th & 8th Street Core Redevelopment Project

1. Revitalization Project Description

The Haymarket 7th & 8th Street Core Redevelopment Project incorporates three blocks of the Historic Haymarket District of downtown Lincoln. Exhibit IV - 128 identifies the project area. It consists of Blocks 31, 32 and 45 of the original plat of the City of Lincoln. This three block area consists of mixed uses including offices, warehouses, restaurants, arts galleries and studios, speciality shops, housing and surface parking. Exhibit IV- 129 identifies existing land use within the project area.

The goals of this redevelopment project are to realize additional reinvestment in the Haymarket and to provide public improvements that support private development and rehabilitation within the project area. This redevelopment project includes the development of a new 6 - 7 story mixed use building on lots 3 and 4 of Block 31, the renovation of existing buildings on Block 45 into an integrated mixed use complex.

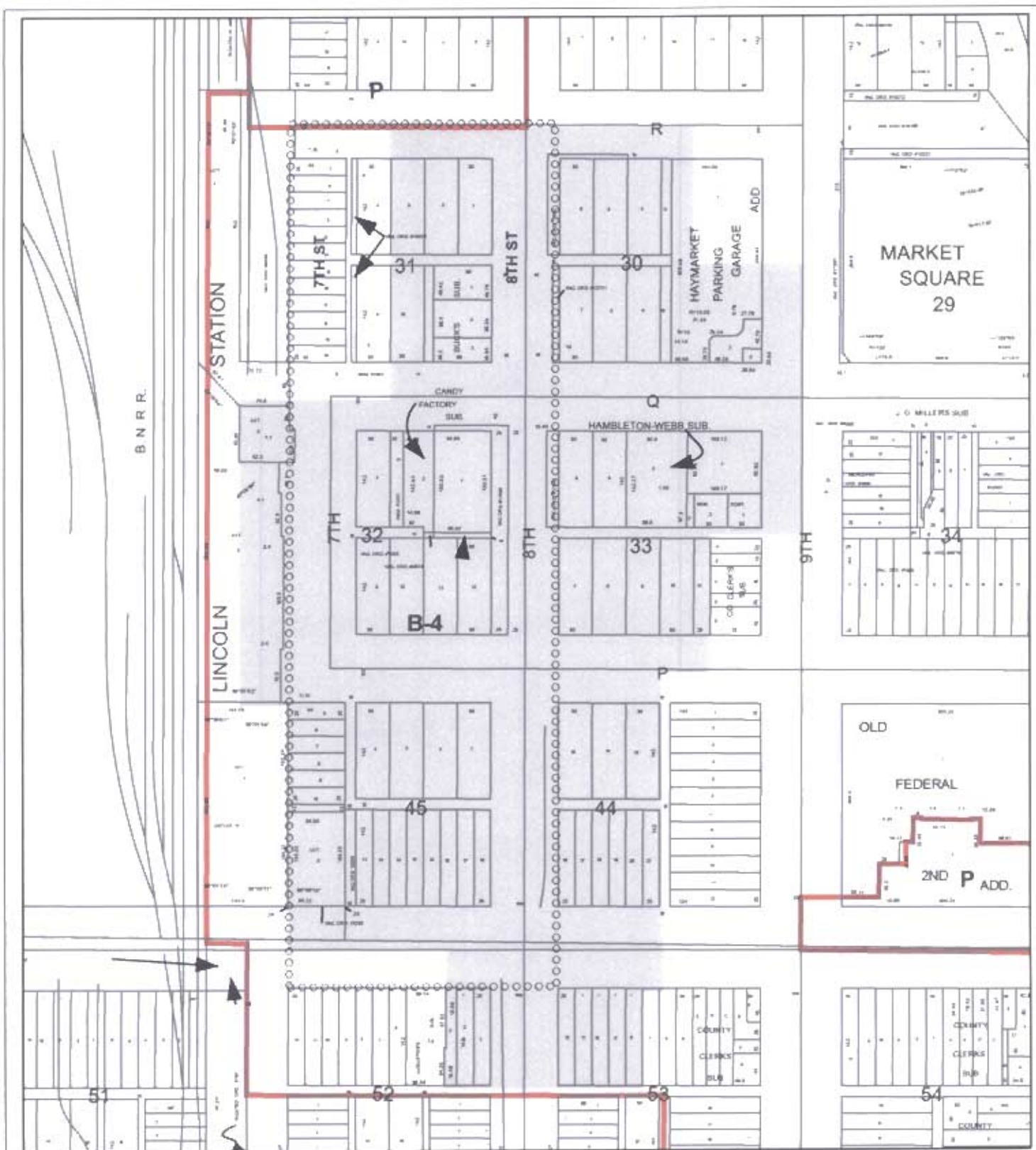


Exhibit IV-131

Haymarket Area Redevelopment Project

Haymarket Historic District
 Haymarket 7th/8th Street Core Redevelopment Project
 Lincoln Center
 Redevelopment Plan
 Zoning Boundary
 Landbase



1 inch equals 200 feet



Exhibit IV - 130 Proposed Land Use **Haymarket Area Redevelopment Project**


----- Haymarket 7th/8th Street Core Redevelopment Project

Landuse

 Commercial NEC

 Commercial w/Residential Units Above

 Parking Lot

 Light Industrial

 Public & Semi-Public

 Vacated ROW

Lincoln Center
Redevelopment Plan



1 inch equals 200 feet